ND PROJECT MANAGEMENT NEWS

A Newsletter for Project Managers

Thank you for taking time to read the *ND Project Management Newsletter*! The purpose of this newsletter is to bring you information about project management-related topics and events in North Dakota (ND) Government and Higher Education.

PM News

HB1275 Passes

HB1275 passed in both the House and the Senate and was signed by the Governor on April 20. This will result in some additional work for the EPM Advisory Group as they will need to make the necessary changes to STD009-05 Project Management of Large Information Technology Projects. As a general guideline, all projects officially entering the oversight process after July 1, 2005, must report on their projects in accordance with HB1275. The section that will concern most projects is:

> ***Information technology projects - Reports.***
> 1. *An executive, legislative, or judicial branch agency, except for institutions under the control of the state board of higher education, shall report to the state information technology advisory committee according to guidelines developed by the department and reviewed by the state information technology advisory committee regarding the plan for and status of any information technology project that is estimated to cost more than two hundred fifty thousand dollars.*
> 2. *During the life of the project, the agency shall notify the state information technology advisory committee if:*
>   a. *At a project milestone, the amount expended on project costs exceeds the planned budget for that milestone by twenty percent or more; or*
>   b. *At a project milestone, the project schedule extends beyond the planned schedule to attain that milestone by twenty percent or more.*

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3. *A report under subsection 2 must specify corrective measures being undertaken to address any cost or time of completion issue. If the agency has not taken adequate corrective measures within ninety days after the report, the agency shall submit a report to the legislative council's information technology committee regarding the project.*
4. *Upon completion of the project, the agency shall notify the state information technology advisory committee if:*
   a. *The budget for the project exceeded the original budget by twenty percent or more; or*
   b. *The final project completion date extended beyond the original project scheduled completion date by twenty percent or more.*

Another change includes the general reporting structure. Rather than reporting the above information directly to the Interim IT Committee, the reports will be directed to the State Information Technology Advisory Committee (SITAC).

We will keep you informed as these changes are incorporated into the existing standard.

New Projects Gearing Up – Stuff You Need To Know

There has been considerable effort lately to develop and review Request for Proposals (RFP's) related to projects that have been funded for the 2005-2007 biennium. As you prepare your RFP and/or contract for services, it is important to keep in mind those issues that will impact your ability to report project information accurately and completely.

For those of you with projects greater than $250,000, this will be your first exposure to HB1275. Whether you are providing project management internally, or hiring an external project manager, all vendors must be aware of the State's reporting requirements. This is tricky. Previously, many projects have reported the budget versus actual. This will no longer be an option under HB1275. The Project Manager and/or vendor must agree upon specific project milestones and then assign a budget and schedule to reach that milestone. Within each milestone, there may be specific deliverables that also have both budget and schedule defined. There may even be a need to track some high level staffing cost/ effort within each milestone.

The new policy will not require the use of full-blown earned value management, although some projects may wisely opt to implement it, but will require a greater degree of planning and reporting. The RFP is the first opportunity for vendors to

estimate their costs. Those costs will eventually be transferred to a contract. We recommend the RFP specifically identify what will be required so the vendors may accurately estimate the effort required to provide the service. The following are some basic recommendations for projects of any size:

- Avoid time and materials based estimates.
- Request deliverables-based estimates.
- Include a deliverable acceptance process.
- Consider including penalties for unacceptable variances from scope, schedule, quality, or cost.
- Include language which advises the vendor that they will be required to provide status reports that include cost and schedule variances at project milestones.

If you have any questions, please contact Pat Forster, ITD Enterprise Procurement, or Mark Molesworth, ITD Enterprise Project Manager.

## North Dakota Receiving Recognition of NITAS Efforts

Enterprise Project Manager Mark Molesworth recently attended a panel discussion in Dallas, Texas, at the request of CompTIA and the Federal Department of Labor. Mark discussed North Dakota's involvement with the NITAS program across the enterprise. It was a wonderful opportunity to show how hard the state is working to centralize our project management methodology through governance, while improving our skills through mentoring.

In addition, *Network World Magazine* recently published an article featuring the use of the NITAS program with the StageNET project. The article can be viewed below.

Management Strategies: The IT Apprentice
The State of North Dakota taps training program for help with network overhaul
http://www.nwfusion.com/careers/2005/041805man.html

NITAS
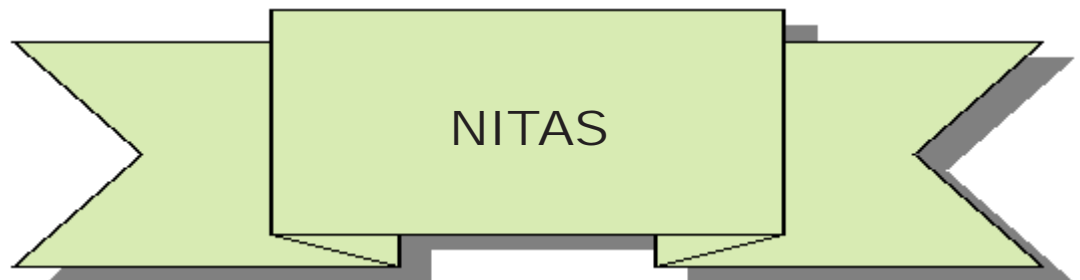
Project Burnout
Jeff Swank, IT Business Analyst

In April, I attended a regional National Management Association (NMA) development conference, where one of the sessions was on professional burnout. Here are a few of my observations from that session.

As our project teams become busier and busier, burnout is a very real possibility. As leaders we need to watch for signs of burnout, in our team and ourselves. According to Dr. Gendel as reported in *The Medical Reporter,* the three major symptoms of professional burnout are:

- Detachment (especially from clients and staff)
- Exhaustion (physical and especially emotional)
- Loss of satisfaction or sense of accomplishment

These symptoms may manifest themselves as no sense of humor, negative attitude, passive-aggressive behavior, tunnel vision (can not see the big picture anymore), and diminished problem solving capabilities.

As leaders we have a responsibility to our teams to say no for those who cannot balance the workload, enable people, and get the job done (so you can stop fighting fires). Some ideas to consider to help prevent burnout include:

- Know your people
- Open lines of communication
- Have FUN!
- Set expectations
- Recognize success
- Provide a way for renewal
- Know the 80 percent rule and understand when to apply it.
    - Eighty percent rule – sometimes 80 percent is good enough; be sure the final 20 percent is true worth the price to complete.

Our teams have a hard enough job as it is. By watching for and taking steps to prevent professional burnout, we can make our projects more successful both personally and professionally.

Featured PM Articles

Top Ten Things Overheard on a Failing Software Project
Ten sure signs of impending project disaster.
http://www.chiefprojectofficer.com/article/81

Measuring the Value of Work Accomplishment:
Part 1: Fidelity in Measuring Accomplishment Value
http://www.sciforma.com/resources/white_papers/EVA_P1.htm

Measuring the Value of Work Accomplishment:
Part 2: Can I Use EVA if I Don't Collect Actual Cost Data?
http://www.sciforma.com/resources/white_papers/EVA_P2.htm

Measuring the Value of Work Accomplishment:
Part 3: What if the Project Workscope Changes? Does it invalidate the EVA?
http://www.sciforma.com/resources/white_papers/EVA_P3.htm

Measuring the Value of Work Accomplishment:
Part 4: Managing the Baseline for Phased Projects
(i.e. IT/AD Applications)

http://www.sciforma.com/resources/white_papers/Eva_p4.htm

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